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Attorneys for Plaintiff

**IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA**

RYAN WONG, JOHN
FORAKER, JOSE BECERRA,
BOBBY HUDSON, BRITTANY
NELSON, MICHAEL TEGG,
ZACHARY WEHE, JONATHAN
HAMILTON, JORGE REYES,
JEFFREY EASTON, SHALOM
BOUGANIM, JOSEPH ATTALLAH,
TRAVIS HOLLOMAN, CLINT
WADE, MICHAEL CHON,
TANVEER HUSSAIN, VINCENT
BURNS, THOMAS PIERSON,
KEVIN ILLSLEY, JEREMY
HUDSPETH, ZACHARY MUETH,
JOSHUA BUSSBERG, RYAN MAY,
MICHAEL DAVIS, DOMENICO
COSTAGLIOLA, DEMARINE
BROWN, KEVIN CUELLAR, PAUL

CLASS ACTION COMPLAINT

Case No.

**COMPLAINT FOR DECLARATORY
RELIEF AND DAMEGES FOR:**

(1) BREACH OF CONTRACT;
(2) NEGLIGENCE;
(3) BREACH OF FIDUCIARY DUTY;
(4) BREACH OF DUTY OF GOOD FAITH
AND FAIR DEALING
(5) BREACH OF EXPRESS AND IMPLIED
WARRANTIES

DEMAND FOR JURY TRIAL

SCHUSTER, MARC JOHNSON,
DAVID AMIRALTA, JACOB
BRUCE, CHASE WILKINS,
KATRELL GLASS, SHALESSE
HURLEY, KRISTIN FREIR,
CHRISTOPHER VALENTI,
SHAWN ROJAS, BRAD
CARLETON, DIMETRIS GOINS,
PETER NGUYEN, NASSIF DAHER,
PERRY BUTT, JAMES WILLIS,
FELIX ANAMAN, JAYME WEST,
SHAWNEE ANDERSON,
MITCHELL CHEUNG, LAYTH
DIEYLEH, YOUSEF MOHAMED,
CLIFTON BLANKENSHIP, ALEX
BURNS, SHIHAB HOSSEIN,
RAEGAN BALL, CAMPBELL
GAULT, JALEN HARRIS,
RODERICK GORDON, ALIOUNE
DIOP, JAMAL MCCULLUM, ABEL
JAUREGUI, YANTÉE TURNER,
HARDI PATEL, CHRISTOPHER
BENSON, GEOFFREY RACETTE,
RUSSELL STEWART, ROBINSON
MONTES, NICHOLAS LUCIER,
FLOYD MCMILLAN, CONNOR
REUTH, CARL CARTER,
CHRISTIAN TOVAR

Plaintiff,

vs.

ROBINHOOD FINANCIAL LLC,
ROBINHOOD SECURITIES, LLC,
ROBINHOOD MARKETS, INC.,
and DOES 1-50,

Defendants.

I. PLAINTIFF'S ORIGINAL CLASS ACTION COMPLAINT

COME NOW the Plaintiffs RYAN WONG, JOHN FORAKER, JOSE BECERRA, BOBBY HUDSON, NELSON BRITTANY, MICHAEL TEGG, ZACHARY WEHE, JONATHAN HAMILTON, JORGE REYES, JEFFREY EASTON, SHALOM BOUGANIM, JOSEPH ATTALLAH, TRAVIS HOLLOMAN, CLINT WADE, MICHAEL CHON, TANVEER HUSSAIN, VINCENT BURNS, THOMAS PIERSON, KEVIN ILLSLEY, JEREMY HUDSPETH, ZACHARY MUETH, JOSHUA BUSSBERG, RYAN MAY, MICHAEL DAVIS, DOMENICO COSTAGLIOLA, DEMARINE BROWN, KEVIN CUELLAR, PAUL SCHUSTER, MARC JOHNSON, DAVID AMIRALT, JACOB BRUCE, CHASE WILKINS, KATRELL GLASS, SHALESSE HURLEY, KRISTIN FREIR, CHRISTOPHER VALENTI, SHAWN ROJAS, BRAD CARLETON, DIMETRAS GOINS, PETER NGUYEN, NASSIF DAHER, PERRY BUTT, JAMES WILLIS, FELIX ANAMAN, JAYME WEST, SHAWNEE ANDERSON, MITCHELL CHEUNG, LAYTH DIEYLEH, YOUSEF MOHAMED, CLIFTON BLANKENSHIP, ALEX BURNS, SHIHAB HOSSEIN, RAEGAN BALL, CAMPBELL GAULT, JALEN HARRIS, RODERICK GORDON, ALIOUNE DIOP, JAMAL MCCULLUM, ABEL JAUREGUI, YANTEE TURNER, HARDI PATEL, CHRISTOPHER BENSON, GEOFFREY RACETTE, RUSSELL STEWART, ROBINSON MONTES, NICHOLAS LUCIER, FLOYD MCMILLAN, CONNOR REUTH, CARL CARTER, CHRISTIAN TOVAR file this Complaint seeking judgment against Defendants ROBINHOOD FINANCIAL LLC, a Delaware corporation; ROBINHOOD

1 SECURITIES, LLC, a Delaware corporation; ROBINHOOD MARKETS, INC., a
2 Delaware corporation, and DOES 1- 50, inclusive, (hereinafter collectively referred to
3 as “Defendants” or “Robinhood”) for damages resulting from Robinhood’s
4 purposefully, willfully, and knowingly restricting access to the open markets in publicly
5 available securities, and thereby depriving retail investors from investing additional
6 monies into the market through these securities, and openly manipulating the open
7 market to the detriment of all Plaintiffs and the market at large by restricting purchase—
8 without universal restrictions across the market by regulators—of this non-exhaustive
9 list of tickers \$AAL, \$AMC, \$BB, \$BBY, \$CTRM, \$EXPR, \$GME, \$KOSS, \$NAKD,
10 \$NOK, \$SNDL, \$TR, and \$TRVG (“Restricted Tickers”) and respectfully allege
11 follows:
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16 **II.NATURE OF THE ACTION**

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18 1. Robinhood is a multibillion-dollar mobile application and website
19 investment service that places stock trade orders on behalf of users like Plaintiff and
20 Class members. Robinhood targets young adults who are new to investing through
21 youth-forward marketing and a video game-like interface and misleads them into
22 using Robinhood by promising “commission free” and “discounted” trading services
23 and assuring them in its Customer Agreements that all of Robinhood’s transactions
24 will be subject to federal and state securities laws. Robinhood has been wildly
25 successful, roping in not only young investors but also novice investors of all ages.
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1 2. In the early morning hours of January 28, 2021, in the midst of an
2 unprecedented rise in the per share value of the Restricted Tickers, Robinhood
3 without providing prior notice to its users or the market at large restricted solely on
4 its platform the purchase of the Restricted Tickers. Robinhood, did however allow its
5 users to “close their positions.” Closing positions, given the suffocation of additional
6 purchases through the Robinhood app would be dubious as the price per share of the
7 Restricted Tickers plummeted.
8

9 3. Robinhood’s claim is that their mission is to “democratize finance for
10 all.” And that they were restricting transactions for certain securities to position
11 closing only on the Restricted Tickers. Further, they remain committed to the same
12 restriction. On January 29, 2021, rather than lift the restrictions in their entirety
13 Robinhood implemented “capped restrictions.” Robinhood allowed the trades of
14 Restricted tickers but limited the total number of shares that each account would be
15 able to hold. They set aggregate limits for each of the Restricted Tickers to the tune
16 of the following: \$AAL (55 shares), \$AMC (115 shares), \$BB (65 shares), \$BBBY
17 (30 shares), \$CTRM (1650 shares), \$EXPR (200 shares), \$GME (5 shares), \$KOSS
18 (25 shares), \$NAKD (750 shares), \$NOK (110 shares), \$SNDL (1200 shares), \$TR
19 (25 shares), and \$TRVG (400 shares).
20

21 4. In the early afternoon on the same day Robinhood again pulled the rug
22 out from under its account holders by further restricting some of the Restricted
23 Tickers: \$AMC (25 shares), \$BB (25 shares), \$GME (2 shares), \$KOSS (10
24 shares), and \$TRVG (400 shares).
25

1 shares), \$NAKD (300 shares), and \$NOK (50). Coincidentally, these are the stock
2 tickers that were increasing during trading on January 29, 2021.

3
4 5. By late afternoon, January 29, 2021, there were reports that Robinhood
5 has even further restricted \$AMC (10 shares) and \$GME (1 share). And extended
6 restrictions to other retail stocks like \$WKHS without prior notice. Additionally,
7 \$WKHS a retail stock that was not a part of the momentous rise of the Restricted
8 Tickers was also restricted, and such restriction caused losses. Finally, towards the
9 end of the trading day and through the after-hours market, Robinhood restricted many
10 of the Restricted Tickers and others to 1 share per account (\$AMC, \$BB, \$BBY,
11 \$GME, \$KOSS) and other retail tickers to 5 shares.

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14 6. The conduct of Robinhood and DOES 1-50 violated their obligations
15 under relevant federal and state law, including California law. Specifically,
16 Robinhood's acts and omissions breached Robinhood's agreements with Plaintiffs and
17 Class Plaintiffs, fiduciary duty to Plaintiffs and Class Plaintiffs, committed fraud,
18 breaches of express and implied warranties.

19 20 21 **III. JURISDICTION AND VENUE**

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23 7. This Court has original jurisdiction pursuant to the Class Action Fairness
24 Act, 28 U.S.C. § 1332(d)(2)(a), because the amount in controversy, exclusive of
25 interest and costs, exceeds the sum or value of \$5,000,000.00 and this is a class action
26 in which there are numerous Class members who are citizens of states different from
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1 Defendants.

2 8. Pursuant to 28 U.S.C. § 1391, this Court is the proper venue for this
3 action because a substantial part of the events, omissions, and acts giving rise to the
4 claims herein occurred in this District where Robinhood, distributed, marketed,
5 advertised, and sold the trading services which are the subject of the present
6 complaint. Finally, venue is appropriate in this District pursuant to 28 USC §
7 1391(b)(2) because a substantial part of the acts and omissions that gave rise to this
8 Complaint occurred or emanated from this District.
9

10 9. This Court has personal jurisdiction over Robinhood because it is
11 authorized to do business and does conduct business in California, and because it has
12 specifically marketed, advertised, and made substantial sales in California, and has
13 sufficient minimum contacts with this state and/or sufficiently avails itself of the
14 markets of this state through its promotion, sales, and marketing within this state to
15 render the exercise of jurisdiction by this Court permissible.
16

17 **IV. PARTIES**

18 10. Plaintiff Ryan Wong resides in and is a citizen of Downey, California He
19 is an active trader that uses the Robinhood platform to access the markets. On or around
20 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
21 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
22 in place by Robinhood.
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1 11. Plaintiff Joan Foraker resides in and is a citizen of Clovis, California. She
2 is an active trader that uses the Robinhood platform to access the markets. On or around
3 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one or
4 more of the Restricted Tickers. He was unable to do so because of the restrictions put in
5 place by Robinhood.
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8 12. Plaintiff Jose Becerra resides in and is a citizen of Santa Ana, California.
9 He is an active trader that uses the Robinhood platform to access the markets. On or
10 around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
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15 13. Plaintiff Bobby Hudson resides in and is a citizen of Fresno, California. He
16 is an active trader that uses the Robinhood platform to access the markets. On or around
17 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
18 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
19 in place by Robinhood.
20

21 14. Plaintiff Brittany Nelson resides in and is a citizen of Lilburn, Georgia.
22 She is an active trader that uses the Robinhood platform to access the markets. On or
23 around January 28, 2021, Plaintiff logged into the app for brokerage services to
24 purchase one or more of the Restricted Tickers. He was unable to do so because of the
25 restrictions put in place by Robinhood.
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28 15. Plaintiff Michael Tegg resides in and is a citizen of Marquette, Illinois. He

1 is an active trader that uses the Robinhood platform. On or around January 28, 2021,
2 Plaintiff logged into the app for brokerage services to purchase one or more of the
3 Restricted Tickers. He was unable to do so because of the restrictions put in place by
4 Robinhood.
5

6 16. Plaintiff Zachary Wehe resides in and is a citizen of Parma, Ohio. He is an
7 active trader that uses the Robinhood platform to access the markets. On or around
8 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
9 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
10 in place by Robinhood.
11

12 17. Plaintiff Johnathan Hamilton resides in and is a citizen of Fort Lauderdale,
13 Florida. He is an active trader that uses the Robinhood platform to access the markets.
14 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
17

18 18. Plaintiff Jorge Reyes resides in and is a citizen of Duluth, Georgia. He is
19 an active trader that uses the Robinhood platform to access the markets. On or around
20 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
21 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
22 in place by Robinhood.
23

24 19. Plaintiff Jeffrey Easton resides in and is a citizen of Chicago, Illinois. He is
25 an active trader that uses the Robinhood platform to access the markets. On or around
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1 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
2 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
3 in place by Robinhood.
4

5 20. Plaintiff Shalom Bouganim resides in and is a citizen of Las Vegas,
6 Nevada. He is an active trader that uses the Robinhood platform to access the markets.
7 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
8 purchase one or more of the Restricted Tickers. He was unable to do so because of the
9 restrictions put in place by Robinhood.
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12 21. Plaintiff Joseph Attallah resides in and is a citizen of Troy, Michigan. He
13 is an active trader that uses the Robinhood platform to access the markets. On or around
14 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
15 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
16 in place by Robinhood.
17

18 22. Plaintiff Travis Holloman resides in and is a citizen of Smithfield, North
19 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
20 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
21 purchase one or more of the Restricted Tickers. He was unable to do so because of the
22 restrictions put in place by Robinhood.
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25 23. Plaintiff Clint Wade resides in and is a citizen of Huntsville, Texas. He is
26 an active trader that uses the Robinhood platform to access the markets. On or around
27 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
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1 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
2 in place by Robinhood.

3
4 24. Plaintiff Michael Chon resides in and is a citizen of Pittsburgh,
5 Pennsylvania. He is an active trader that uses the Robinhood platform to access the
6 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
7 services to purchase one or more of the Restricted Tickers. He was unable to do so
8 because of the restrictions put in place by Robinhood.

9
10 25. Plaintiff Tanveer Hussain resides in and is a citizen of Sterling Heights,
11 Michigan. He is an active trader that uses the Robinhood platform to access the
12 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
13 services to purchase one or more of the Restricted Tickers. He was unable to do so
14 because of the restrictions put in place by Robinhood.

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16 26. Plaintiff Vincent Burns resides in and is a citizen of Baltimore, Maryland.
17 He is an active trader that uses the Robinhood platform to access the markets. On or
18 around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.

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22 27. Plaintiff Thomas Pierson resides in and is a citizen of Evesham, New
23 Jersey. He is an active trader that uses the Robinhood platform to access the markets.
24 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
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1 restrictions put in place by Robinhood.

2 28. Plaintiff Kevin Illsley resides in and is a citizen of Denver, Colorado. He
3 is an active trader that uses the Robinhood platform to access the markets. On or around
4 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
5 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
6 in place by Robinhood.
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8 29. Plaintiff Jeremy Hudspeth resides in and is a citizen of Homewood,
9 Indiana. He is an active trader that uses the Robinhood platform to access the markets.
10 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
13

14 30. Plaintiff Zachary Mueth resides in and is a citizen of Madison, Wisconsin.
15 He is an active trader that uses the Robinhood platform to access the markets. On or
16 around January 28, 2021, Plaintiff logged into the app for brokerage services to
17 purchase one or more of the Restricted Tickers. He was unable to do so because of the
18 restrictions put in place by Robinhood.
19

20 31. Plaintiff Joshua Bussberg resides in and is a citizen of Noblesville,
21 Indiana. He is an active trader that uses the Robinhood platform to access the markets.
22 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.
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1 32. Plaintiff Ryan May resides in and is a citizen of Washington, District of
2 Columbia. He is an active trader that uses the Robinhood platform to access the
3 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
4 services to purchase one or more of the Restricted Tickers. He was unable to do so
5 because of the restrictions put in place by Robinhood.
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8 33. Plaintiff Michael Davis resides in and is a citizen of Brooklyn,
9 Connecticut. He is an active trader that uses the Robinhood platform to access the
10 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
11 services to purchase one or more of the Restricted Tickers. He was unable to do so
12 because of the restrictions put in place by Robinhood.
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15 34. Plaintiff Domenico Costagliola resides in and is a citizen of Summerville,
16 South Carolina. He is an active trader that uses the Robinhood platform to access the
17 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
18 services to purchase one or more of the Restricted Tickers. He was unable to do so
19 because of the restrictions put in place by Robinhood.
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22 35. Plaintiff Demarine Brown resides in and is a citizen of Mobile, Alabama.
23 He is an active trader that uses the Robinhood platform to access the markets. On or
24 around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
26 restrictions put in place by Robinhood.
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 36. Plaintiff Kevin Cuellar resides in and is a citizen of Coriscana, Texas. He

1 is an active trader that uses the Robinhood platform to access the markets. On or around
2 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
3 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
4 in place by Robinhood.
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6 37. Plaintiff Paull Schuster resides in and is a citizen of Lewes, Delaware. He
7 is an active trader that uses the Robinhood platform to access the markets. On or around
8 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
9 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
10 in place by Robinhood.
11

12 38. Plaintiff Marc Johnston resides in and is a citizen of San Antonio, Texas.
13 He is an active trader that uses the Robinhood platform to access the markets. On or
14 around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
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18 39. Plaintiff David Amirault resides in and is a citizen of Springfield,
19 Missouri. He is an active trader that uses the Robinhood platform to access the markets.
20 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
21 purchase one or more of the Restricted Tickers. He was unable to do so because of the
22 restrictions put in place by Robinhood.
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24 40. Plaintiff Bruce Jacob resides in and is a citizen of Independence, Missouri.
25 He is an active trader that uses the Robinhood platform to access the markets. On or
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1 around January 28, 2021, Plaintiff logged into the app for brokerage services to
2 purchase one or more of the Restricted Tickers. He was unable to do so because of the
3 restrictions put in place by Robinhood.
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5 41. Plaintiff Chase Wilkins resides in and is a citizen of Greensburg,
6 Pennsylvania. He is an active trader that uses the Robinhood platform to access the
7 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
8 services to purchase one or more of the Restricted Tickers. He was unable to do so
9 because of the restrictions put in place by Robinhood.
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12 42. Plaintiff Katrell Glass resides in and is a citizen of Braintree, Masusetts.
13 He is an active trader that uses the Robinhood platform to access the markets. On or
14 around January 28, 2021, Plaintiff logged into the app for brokerage services to
15 purchase one or more of the Restricted Tickers. He was unable to do so because of the
16 restrictions put in place by Robinhood.
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19 43. Plaintiff Shalesse Hurley resides in and is a citizen of Brooklyn, New
20 York. She is an active trader that uses the Robinhood platform to access the markets.
21 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
22 purchase one or more of the Restricted Tickers. He was unable to do so because of the
23 restrictions put in place by Robinhood.
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25 44. Plaintiff Kristin Freier resides in and is a citizen of Reno, Nevada. She is
26 an active trader that uses the Robinhood platform to access the markets. On or around
27 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
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1 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
2 in place by Robinhood.

3
4 45. Plaintiff Christopher Valenti resides in and is a citizen of Brooklyn, New
5 York. He is an active trader that uses the Robinhood platform to access the markets. On
6 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
7 purchase one or more of the Restricted Tickers. He was unable to do so because of the
8 restrictions put in place by Robinhood.

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10 46. Plaintiff Shawn Rojas resides in and is a citizen of Bayonne, New Jersey.
11 He is an active trader that uses the Robinhood platform to access the markets. On or
12 around January 28, 2021, Plaintiff logged into the app for brokerage services to
13 purchase one or more of the Restricted Tickers. He was unable to do so because of the
14 restrictions put in place by Robinhood.

15
16 47. Plaintiff Brad Carleton resides in and is a citizen of Spring Lake, North
17 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
18 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
19 purchase one or more of the Restricted Tickers. He was unable to do so because of the
20 restrictions put in place by Robinhood.

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22 48. Plaintiff Dimetras Goins resides in and is a citizen of Lansing, Michigan.
23 He is an active trader that uses the Robinhood platform to access the markets. On or
24 around January 28, 2021, Plaintiff logged into the app for brokerage services to
25 purchase one or more of the Restricted Tickers. He was unable to do so because of the
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1 restrictions put in place by Robinhood.

2 49. Plaintiff Peter Nguyen resides in and is a citizen of Myrtle Beach, South
3 Carolina. He is an active trader that uses the Robinhood platform to access the markets.
4 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
5 purchase one or more of the Restricted Tickers. He was unable to do so because of the
6 restrictions put in place by Robinhood.
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9 50. Plaintiff Nassif Daher resides in and is a citizen of Canton, Michigan. He
10 is an active trader that uses the Robinhood platform to access the markets. On or around
11 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
12 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
13 in place by Robinhood.
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16 51. Plaintiff Perry Butt resides in and is a citizen of St. Cloud, Florida. He is
17 an active trader that uses the Robinhood platform to access the markets. On or around
18 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
19 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
20 in place by Robinhood.
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23 52. Plaintiff James Willis resides in and is a citizen of Crozet, Virginia. He is
24 an active trader that uses the Robinhood platform to access the markets. On or around
25 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
26 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
27 in place by Robinhood.
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1 53. Plaintiff Felix Anaman resides in and is a citizen of Crozet, Virginia. He is
2 an active trader that uses the Robinhood platform to access the markets. On or around
3 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
4 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
5 in place by Robinhood.
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8 54. Plaintiff Jayme West resides in and is a citizen of Tremont, Illinois. He is
9 an active trader that uses the Robinhood platform to access the markets. On or around
10 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
11 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
12 in place by Robinhood.
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15 55. Plaintiff Shawnee Anderson resides in and is a citizen of Eagle Point,
16 Oregon. He is an active trader that uses the Robinhood platform to access the markets.
17 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
18 purchase one or more of the Restricted Tickers. He was unable to do so because of the
19 restrictions put in place by Robinhood.
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21 56. Plaintiff Mitchell Cheung resides in and is a citizen of Staten Island, New
22 York. He is an active trader that uses the Robinhood platform to access the markets. On
23 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
24 purchase one or more of the Restricted Tickers. He was unable to do so because of the
25 restrictions put in place by Robinhood.
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28 57. Plaintiff Layth Dieyleh resides in and is a citizen of Greenwood Village,

1 Colorado. He is an active trader that uses the Robinhood platform to access the markets.
2 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
3 purchase one or more of the Restricted Tickers. He was unable to do so because of the
4 restrictions put in place by Robinhood.
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6 58. Plaintiff Yousef Mohamen resides in and is a citizen of Staten Island, New
7 York. He is an active trader that uses the Robinhood platform to access the markets. On
8 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
9 purchase one or more of the Restricted Tickers. He was unable to do so because of the
10 restrictions put in place by Robinhood.
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13 59. Plaintiff Clifton Blankenship resides in and is a citizen of Peabody,
14 Massachusetts. He is an active trader that uses the Robinhood platform to access the
15 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
16 services to purchase one or more of the Restricted Tickers. He was unable to do so
17 because of the restrictions put in place by Robinhood.
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20 60. Plaintiff Jose Becerra resides in and is a citizen of Santa Ana, California.
21 He is an active trader that uses the Robinhood platform to access the markets. On or
22 around January 28, 2021, Plaintiff logged into the app for brokerage services to
23 purchase one or more of the Restricted Tickers. He was unable to do so because of the
24 restrictions put in place by Robinhood.
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26

27 61. Plaintiff Alex Burns resides in and is a citizen of Oak Park, Illinois. He is
28 an active trader that uses the Robinhood platform to access the markets. On or around

1 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
2 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
3 in place by Robinhood.
4

5 62. Plaintiff Md Shihab Hossein resides in and is a citizen of Brooklyn, New
6 York. He is an active trader that uses the Robinhood platform to access the markets. On
7 or around January 28, 2021, Plaintiff logged into the app for brokerage services to
8 purchase one or more of the Restricted Tickers. He was unable to do so because of the
9 restrictions put in place by Robinhood.
10
11

12 63. Plaintiff Raegan Ball resides in and is a citizen of Evansville, Indiana. He
13 is an active trader that uses the Robinhood platform to access the markets. On or around
14 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
15 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
16 in place by Robinhood.
17

18 64. Plaintiff Campbell Gualt resides in and is a citizen of Bonita Springs,
19 Florida. He is an active trader that uses the Robinhood platform to access the markets.
20 On or around January 28, 2021, Plaintiff logged into the app for brokerage services to
21 purchase one or more of the Restricted Tickers. He was unable to do so because of the
22 restrictions put in place by Robinhood.
23
24

25 65. Plaintiff Jalen Harris resides in and is a citizen of Galesburg, Illinois. He is
26 an active trader that uses the Robinhood platform to access the markets. On or around
27 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
28

1 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
2 in place by Robinhood.

3
4 66. Plaintiff Roderick Gordon resides in and is a citizen of Orlando, Florida.
5 He is an active trader that uses the Robinhood platform to access the markets. On or
6 around January 28, 2021, Plaintiff logged into the app for brokerage services to
7 purchase one or more of the Restricted Tickers. He was unable to do so because of the
8 restrictions put in place by Robinhood.

9
10 67. Plaintiff Alioune Diop resides in and is a citizen of Bronx, New York. He
11 is an active trader that uses the Robinhood platform to access the markets. On or around
12 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
13 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
14 in place by Robinhood.

15
16 68. Plaintiff Jamal McCullum resides in and is a citizen of Southgate,
17 Michigan. He is an active trader that uses the Robinhood platform to access the
18 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
19 services to purchase one or more of the Restricted Tickers. He was unable to do so
20 because of the restrictions put in place by Robinhood.

21
22 69. Plaintiff Abel Jauregui resides in and is a citizen of Tempe, Arizona. He is
23 an active trader that uses the Robinhood platform to access the markets. On or around
24 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
25 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
26
27
28

1 in place by Robinhood.

2 70. Plaintiff Yantee Turner resides in and is a citizen of Hinesville, Georgia.
3
4 He is an active trader that uses the Robinhood platform to access the markets. On or
5 around January 28, 2021, Plaintiff logged into the app for brokerage services to
6 purchase one or more of the Restricted Tickers. He was unable to do so because of the
7
8 restrictions put in place by Robinhood.

9 71. Plaintiff Hardi Patel resides in and is a citizen of Des Plaines, Illinois. He
10 is an active trader that uses the Robinhood platform to access the markets. On or around
11
12 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
13 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
14
15 in place by Robinhood.

16 72. Plaintiff Christopher Benson resides in and is a citizen of Cincinnati, Ohio.
17 He is an active trader that uses the Robinhood platform to access the markets. On or
18
19 around January 28, 2021, Plaintiff logged into the app for brokerage services to
20 purchase one or more of the Restricted Tickers. He was unable to do so because of the
21
22 restrictions put in place by Robinhood.

23 73. Plaintiff Geoffrey Racette resides in and is a citizen of Savage, Minnesota.
24 He is an active trader that uses the Robinhood platform to access the markets. On or
25
26 around January 28, 2021, Plaintiff logged into the app for brokerage services to
27 purchase one or more of the Restricted Tickers. He was unable to do so because of the
28
restrictions put in place by Robinhood.

1 74. Plaintiff Russell Stewart resides in and is a citizen of Murphy, Texas. He is
2 an active trader that uses the Robinhood platform to access the markets. On or around
3 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
4 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
5 in place by Robinhood.
6

7
8 75. Plaintiff Robinson Montes resides in and is a citizen of Bronx, New York.
9 He is an active trader that uses the Robinhood platform to access the markets. On or
10 around January 28, 2021, Plaintiff logged into the app for brokerage services to
11 purchase one or more of the Restricted Tickers. He was unable to do so because of the
12 restrictions put in place by Robinhood.
13

14
15 76. Plaintiff Nicholas Lucier resides in and is a citizen of Oxford,
16 Massachusetts. He is an active trader that uses the Robinhood platform to access the
17 markets. On or around January 28, 2021, Plaintiff logged into the app for brokerage
18 services to purchase one or more of the Restricted Tickers. He was unable to do so
19 because of the restrictions put in place by Robinhood.
20

21 77. Plaintiff Floyd McMillan resides in and is a citizen of Flaxville, Montana.
22 He is an active trader that uses the Robinhood platform to access the markets. On or
23 around January 28, 2021, Plaintiff logged into the app for brokerage services to
24 purchase one or more of the Restricted Tickers. He was unable to do so because of the
25 restrictions put in place by Robinhood.
26

27
28 78. Plaintiff Conner Reuth resides in and is a citizen of La Pine, Oregon. He is

1 an active trader that uses the Robinhood platform to access the markets. On or around
2 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
3 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
4 in place by Robinhood.
5

6 79. Plaintiff Carl Carter resides in and is a citizen of Kansas City, Missouri.
7
8 He is an active trader that uses the Robinhood platform to access the markets. On or
9 around January 28, 2021, Plaintiff logged into the app for brokerage services to
10 purchase one or more of the Restricted Tickers. He was unable to do so because of the
11 restrictions put in place by Robinhood.
12

13 80. Plaintiff Christian Tovar resides in and is a citizen of Boise, Idaho. He is
14 an active trader that uses the Robinhood platform to access the markets. On or around
15 January 28, 2021, Plaintiff logged into the app for brokerage services to purchase one
16 or more of the Restricted Tickers. He was unable to do so because of the restrictions put
17 in place by Robinhood.
18
19

20 81. Defendant Robinhood Markets, Inc. is a financial service holding
21 company incorporated in Delaware with its principal place of business located at 85
22 Willow Road, Menlo Park, CA 94025. It is the holding company for Defendants
23 Robinhood Financial LLC and Robinhood Securities, LLC. Defendant Robinhood
24 Markets, Inc. is a named party to the Robinhood Terms & Conditions Agreement
25 governing Robinhood's website and mobile applications. Defendant Robinhood
26 Markets, Inc. facilitated, participated in, and communicated the acts and omissions to
27
28

1 Plaintiff and Class Members that caused the harm.

2 82. Defendant Robinhood Financial LLC is a full-service securities firm
3 incorporated in Delaware with its principal place of business located at 85 Willow
4 Road, Menlo Park, CA 94025. Defendant Robinhood Financial LLC is a wholly
5 owned subsidiary of Defendant Robinhood Markets, Inc., and an affiliate of
6 Defendant Robinhood Securities, LLC. It is an “introducing” broker-dealer, offering
7 brokerage services to retail investors and allowing customers to open online accounts
8 and electronically deposit funds. It is a named party to the Robinhood Terms &
9 Conditions Agreement governing Robinhood’s website and mobile applications. It is
10 also a party to the Robinhood Customer Agreements, governing the purchase, sale, or
11 carrying of securities or contracts relating thereto and/or the borrowing of funds.
12 Defendant Robinhood Financial LLC facilitated, participated in, and communicated
13 to the Plaintiffs and Class Members the acts and omissions that led to the harm
14 alleged herein.
15

16 83. Defendant Robinhood Securities, LLC is a full-service securities firm
17 incorporated in Delaware with its principal place of business located at 85 Willow
18 Road, Menlo Park, CA 94025. It is a wholly owned subsidiary of Defendant
19 Robinhood Markets, Inc., and an affiliate of Defendant Robinhood Financial LLC.
20 Once a customer creates an account with Robinhood Financial LLC, Defendant
21 Robinhood Securities is the custodian of customers’ funds and the securities customers
22 purchase. It services customer accounts; executes, clears, and settles customer trades;
23
24
25
26
27
28

1 prepares and distributes customer account statements and trade confirmations; and
2 extends credit to customer margin accounts. It is a party to the Robinhood Customer
3 Agreements governing the purchase, sale, or carrying of securities or contracts
4 relating thereto and/or the borrowing of funds, which transactions are cleared through
5 it. Defendant Robinhood Securities, LLC facilitated, participated in, and
6 communicated the acts and omissions that led to the harm alleged herein to Plaintiffs
7 and Class members herein.
8

9
10 84. At all times herein mentioned, there existed a unity of interest, and
11 activity in furtherance of that interest, among Robinhood and other Defendants such
12 that any individuality and separateness among them has ceased, and these Defendants
13 are the alter egos of each other with respect to operations.
14
15

16 85. The true names and capacities of those defendants designated as DOES 1-50,
17 whether individual, corporate, association or otherwise, are unknown to Plaintiffs and
18 Class Members at the time of filing this Complaint and Plaintiffs, therefore, sue said
19 defendants by such fictitious names and will ask leave of Court to amend this
20 Complaint to show their true names or capacities when the same have been
21 ascertained. Plaintiffs are informed and believe, and thereon allege, that each of the
22 DOE defendants is, in some manner, responsible for the events and happenings herein
23 set forth and proximately and/or directly caused injury and damages to Plaintiffs as
24 herein alleged.
25
26
27
28

V. FACTUAL ALLEGATIONS

86. Robinhood is an online brokerage firm that states its mission is to “to democratize finance for all. We believe that everyone should have access to the financial markets, so we’ve built Robinhood from the ground up to make investing friendly, approachable, and understandable for newcomers and experts alike.”¹ Robinhood provides access to the markets: equities, options, and crypto currencies using its web based, or smartphone-based applications.

87. As a part of its populist-based marketing and mission, Robinhood’s official Twitter posted, “Let the people trade.”

88. As a part of the suite of services that Robinhood provides, it facilitates buy and sell orders of securities as a broker-dealer. Robinhood also facilitates the purchase of option contracts (“options”).

89. Robinhood has experienced significant growth as a relatively new online brokerage firm. In 2019, Robinhood raised \$323 million in funding at a \$7.6 billion valuation. The firm markets itself primarily to younger investors and claims over 10 million users of its trading platform.

90. On or around January 11, 2021, the stock for GameStop Corp., (“\$GME”) began to rise. At that time, Robinhood allowed retail investors access to the same

¹ <https://robinhood.com/us/en/support/articles/our-mission/>

1 without restriction.

2 91. On or around January 26, 2021, the stocks for AMC Entertainment
3 holdings, Inc., (“\$AMC”) began to rise.
4

5 92. On or around January 26, 2021, the stocks for Nokia Corporation
6 (“\$NOK”) began to rise.
7

8 93. On or around January 26, 2021, the stocks for Naked Brand Group Ltd.,
9 (“\$NAKD”) began to rise.

10 94. On or around January 26, 2021, the stocks for Blackberry Ltd., (“\$BB”)
11 began to rise.
12

13 95. On or around January 26, 2021, the stocks for Express, Inc., (“\$EXPR”)
14 began to rise.
15

16 96. On or around January 26, 2021, the stocks for Express, Inc., (“\$SNDL”)
17 began to rise.
18

19 97. \$GME continued to rise.

20 98. Upon information and belief, unbeknownst to Robinhood users and the
21 market at large, Robinhood unilaterally removed tickers from its trading platform.
22

23 99. This meant that retail investors could no longer purchase the rising
24 tickers, or even search for them. Robinhood did this without providing notice to its
25 users, or the market at large.
26

27 100. Upon information and belief, Robinhood’s actions were done
28

1 purposefully and knowingly to manipulate the market for the benefit of large
2 investors and financial intuitions who were not Robinhood's customers, or retail
3 traders.
4

5 101. These unilateral and unannounced acts did several things: 1) it locked
6 Robinhood users into positions as the prices of these shares began to free fall; 2) It
7 prevented Robinhood users for purchasing more shares at lower prices to average
8 down their costs bases; 3) It prevented Robinhood users from shorting the stocks; and
9 it deprived the market for a large percentage of the retail market buying power
10 causing all positions to free fall.
11
12

13 102. All of Robinhood's acts were intentional and caused harm. In sum,
14 Robinhood has completely blocked retailer investors from purchasing Restricted
15 Tickers for no legitimate reason, thereby depriving retailer investors from the benefits
16 of Robinhood's services in giving access to the market.
17
18

19 103. Additionally, for many users as their money was tied up with Robinhood
20 they could not withdraw and simply trade positions on the day.
21

22 104. The Financial Industry Regulatory Authority ("FINRA"), which governs
23 brokers like Robinhood, espouses rule 5310 regarding "Best Execution and
24 Interpositioning." Rule 5310.01 requires that Robinhood "must make every effort to
25 execute a marketable customer order that it receives promptly and fully." By failing
26 to respond at all to customers' placing timely trades—and outright blocking
27 customers from trading a security—Robinhood has breached these, among other,
28

1 obligations and caused its customers substantial losses due solely to its own
2 negligence and failure to maintain adequate infrastructure.

3
4 105. On January 28, 2021, it was announced that Robinhood secured an
5 additional billion dollars in funding.²

6
7 **VI. CLASS ACTION ALLEGATIONS**

8
9 106. Plaintiffs seek relief on behalf of themselves and as a representative of
10 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
11 (b)(3), Plaintiffs seek certification of a Nationwide class defined as follows:
12

13 **VII. ALL PERSONS WHO USED ROBINHOOD'S BROKERAGE**
14 **SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF**
15 **THE RESTRICTION PERIOD ON THE RESTRICTED**
16 **TICKERS. (THE "ROBINHOOD CLASS").**

17
18 107. Plaintiff seeks relief on behalf of themselves and as a representative of
19 all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and
20 (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:
21
22
23
24
25

26
27

² <https://www.nytimes.com/2021/01/29/technology/robinhood-fundraising.html>
28

VIII. ALL PERSONS WHO HELD SHARES OF THE RESTRICTED TICKERS IN THEIR BROKERAGE ACCOUNTS BETWEEN JANUARY 28, 2020 AND THE END OF SUCH RESTRICTIONS AND SOLD SHARES OF THE RESTRICTED TICKERS AT A LOSS. (THE “LOSS OF VALUE CLASS”).

108. Plaintiffs seek relief on behalf of themselves and as a representative of all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiff seeks certification of a Nationwide subclass defined as follows:

IX. ALL PERSONS WHO HELD SHARES OF THE RESTRICTED TICKERS IN THEIR BROKERAGE ACCOUNTS BETWEEN JANUARY 28, 2020 AND THE END OF SUCH RESTRICTIONS AND SOUGHT TO PURCHASE ADDITIONAL SHARES OF THE RESTRICTED TICKERS. (THE “LOSS OF ADDITIONAL INVESTMENT VALUE CLASS”).

109. Plaintiffs seek relief on behalf of themselves and as a representative of all others who are similarly situated. Pursuant to Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiffs seek certification of a Nationwide subclass defined as follows:

X. ALL PERSONS WHO USED ROBINHOOD’S BROKERAGE SERVICES BETWEEN JANUARY 20, 2021 AND THE END OF THE RESTRICTION PERIOD ON THE RESTRICTED TICKERS THAT HELD SHARES AND SOLD AT A LOSS. (THE “SOLD AT LOSS CLASS”).

110. Additionally, or in the alternative, Plaintiffs seek relief on behalf of

1 himself and as a representative of all others who are similarly situated. Pursuant to
2 Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiffs seek certification of a Class defined
3 as follows:
4

5 **XI. ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF**
6 **CALIFORNIA ("CALIFORNIA CLASS").**
7

8 111. Additionally, or in the alternative, Plaintiffs seek relief on behalf of
9 themselves and as a representative of all others who are similarly situated. Pursuant to
10 Fed. R. Civ. P. Rules 23(a) and (b)(3), Plaintiff seeks certification of a Class defined as
11 follows:
12

13
14 **XII. ALL ROBINHOOD CUSTOMERS WITHIN THE STATE OF**
15 **CALIFORNIA WHO WERE NOT ABLE TO EXECUTE TRADES**
16 **ON THE RESTRICTED TICKERS AND OTHER SECURITIES**
17 **AFTER ROBINHOOD KNOWINGLY, WILLFULLY, AND**
18 **PURPOSEFULLY REMOVED COMPLETELY FROM THEIR**
19 **PLATFORM ("CALIFORNIA LOSS CLASS").**
20

21 112. Excluded from the Classes are Robinhood and any of its affiliates,
22 parents, or subsidiaries; all persons who make a timely election to be excluded from
23 the Class; government entities; and the judges to whom this case is assigned, their
24 immediate families, and court staff.
25

26 113. Plaintiffs hereby reserve the right to amend or modify the Class
27 definitions with greater specificity or division after having had an opportunity to
28

1 conduct discovery. The proposed Classes meet the criteria for certification under
2 Rules 23(a) and (b)(3).
3

4 114. **Numerosity:** The precise number of members of the proposed Class is
5 unknown to Plaintiff at this time, but, based on information and belief, Class
6 members are so numerous that their individual joinder herein is impracticable. Based
7 on information and belief and publicly available reports, Class members number in
8 the hundreds of thousands and up to ten million. Subclass members are likely in the
9 thousands. All Class and Subclass members may be notified of the pendency of this
10 action by reference to Robinhood's records, or by other alternative means.
11
12

13 115. **Commonality:** Numerous questions of law or fact are common to the
14 claims of Plaintiff and members of the proposed Class. These common questions of
15 law and fact exist as to all Class members and predominate over questions affecting
16 only individual Class members. These common legal and factual questions include,
17 but are not limited to the following:
18
19

- 20 a. Did Robinhood knowingly fail to provide the financial services it agreed
21 to with its users that were needed to handle reasonable consumer
22 demand, including trading securities that are available on every other
23 competitive trading platform?
- 24 b. Did Robinhood fail to provide the duty of care to its customers when it
25 purposefully, and without prior notice, removed \$GME, \$BB, \$AMC,
26 \$SNDL, \$NOK, \$NAKD and others?
- 27 c. Did Robinhood remove \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD
28 and others to pass harm and risk purposefully and intentionally from
their industry partners to its own customers' positions in the Restricted

1 Tickers and benefit itself and its industry partners financial gains?

- 2
- 3 d. Did Robinhood violate FINRA Rule 5310, among other FINRA rules,
- 4 state rules, and federal regulations?
- 5
- 6 e. Did Robinhood violate consumer protection laws by failing to disclose
- 7 that its services would not include the ability to trade on \$GME, \$BB,
- 8 \$SNDL, \$NOK, \$NAKD, and other tickers, for substantial periods of
- 9 time?
- 10
- 11 f. Did Robinhood breach its legal, regulatory, and licensing requirements
- 12 by failing to provide adequate access to financial services?
- 13
- 14 g. Did Robinhood breach its contracts and/or the implied covenant of good
- 15 faith and fair dealing in connection with its failure to provide financial
- 16 services as described herein?
- 17
- 18 h. Was Robinhood negligent or grossly negligent by failing to provide
- 19 financial services in a timely manner due to its own possible nefarious
- 20 desires, or the desires of industry partners?
- 21
- 22 i. Did Robinhood breach its fiduciary duties to its customers by failing to
- 23 provide adequate access to financial services as promised?
- 24
- 25 j. Was Robinhood unjustly enriched by its conduct?
- 26
- 27 k. Were Plaintiffs and the other Class members injured by Robinhood's
- 28 conduct, and if so, the appropriate class-wide measure of damages,
- restitution, and other appropriate relief, including injunctive relief?
- l. Whether Plaintiff and the other Class members are entitled to injunctive and declaratory relief.

116. **Typicality:** The claims of the named Plaintiff are typical of the claims of

1 the proposed Class in that the named Plaintiff was a customer during the class period
2 and was unable to trade the Restricted Tickers and place time-sensitive trades on
3 \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$BBBY, \$KOSS, \$NAKD, and others and
4 sustained damages as a result of Robinhood's wrongful conduct.
5

6 **117. Adequate Representation:** Plaintiffs will fairly and adequately
7 represent the interests of the Class in that he has no conflicts with any other Class
8 members. Plaintiffs have retained competent counsel experienced in prosecuting
9 complex class actions, including those involving financial services, and they will
10 vigorously litigate this class action.
11
12

13 **118. Predominance and Superiority:** There is no plain, speedy, or adequate
14 remedy other than by maintenance of a class action. A class action is superior to other
15 available means, if any, for the fair and efficient adjudication of this controversy.
16 Prosecution of separate actions by individual Class members would create the risk of
17 inconsistent or varying adjudications, establishing incompatible standards of conduct
18 for the Defendant. Additionally, given the relatively modest damages sustained by
19 most individual members, few, if any, proposed Class members could or would sustain
20 the economic burden of pursuing individual remedies for Robinhood's wrongful
21 conduct. Treatment as a class action will achieve substantial economies of time,
22 effort, and expense, and provide comprehensive and uniform supervision by a
23 single court. This class action presents no material difficulties in management.
24
25
26
27

28 **119.** Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(A)

1 because the prosecution of separate actions by individual members of the proposed
2 Class would create a risk of inconsistent or varying adjudications with respect to
3 individual Class members, which may produce incompatible standards of conduct for
4 Defendants.
5

6 120. Class action certification is warranted under Fed. R. Civ P. 23(b)(1)(B)
7 because the prosecution of separate actions by individual members of the proposed
8 Class would create a risk of adjudications with respect to individual Class members
9 which may, as a practical matter, be dispositive of the interests of the other members
10 not parties to the adjudications or substantially impair or impede their ability to
11 protect their interests.
12

13 121. The prerequisites to maintaining a class action for injunctive or equitable
14 relief pursuant to Fed. R. Civ. P. 23(b)(2) are met as Robinhood has acted or refused
15 to act on grounds generally applicable to the Class, thereby making final injunctive,
16 declaratory, or equitable relief appropriate with respect to the Class as a whole.
17

18 122. Class action certification is also warranted under Fed. R. Civ P. 23(b)(3)
19 because questions of law or fact common to the Class members predominate over any
20 questions affecting only individual members, and a Class action is superior to other
21 available remedies for the fair and efficient adjudication of this controversy. The
22 amount of damages available to the individual Plaintiff is insufficient to make
23 litigation addressing Robinhood's conduct economically feasible for most in the
24 absence of the class action procedure. Individualized litigation also presents a
25
26
27
28

1 potential for inconsistent or contradictory judgments and increases the delay and
2 expense to all parties and the court system presented by the legal and factual issues of
3 the case. By contrast, the class action device presents far fewer management
4 difficulties and provides the benefits of a single adjudication, economy of scale, and
5 comprehensive supervision by a single court.
6

7
8 123. Class action certification is also warranted under Fed. R. Civ P. 23(c)(4)
9 because questions of law or fact common to the Class members may be certified and
10 decided by this Court on a class wide basis.
11

12 **XIII.CAUSE OF ACTION – BREACH OF CONTRACT**

13

14 124. Plaintiff incorporates the preceding paragraphs by reference as if set
15 forth fully in this section, namely paragraphs 1 to 68.
16

17 125. To use the Robinhood platform, a potential customer must enter into the
18 Customer Agreement with Robinhood.

19 126. Plaintiffs and all putative Class Members entered into a Customer
20 Agreement with Robinhood.
21

22 127. Robinhood breached the Agreement by failing to not only provide
23 advance notice of removal of heavily traded and highly profitable stock tickers and
24 implementing the strictest restrictions on the same. Robinhood breached its Customer
25 Agreement by, among other things, failing to disclose that its platform was going to
26 randomly pull profitable stocks from its platform at a time they were most profitable;
27
28

1 and that Robinhood failed to provide an adequate explanation to their customers; and
2 that Robinhood knowingly put their customers at a disadvantage compared to
3 customers who used other trading apps; and that Robinhood failed to provide access
4 to its own financial incentives to pull the Restricted Tickers including \$GME, \$BB,
5 \$AMC, \$SNDL, \$NAKD AND \$NOK among others; that Robinhood's actions were
6 a direct breach of the Agreement by failing to perform in a timely manner (or at all)
7 under the contract; and that Robinhood failed to comply with all applicable legal,
8 regulatory, and licensing requirements; and that Robinhood failed to exercise trades
9 and actions requested by customers.
10
11
12

13 128. Robinhood breached its Customer Agreement with Plaintiffs and class
14 members as a result of the aforementioned actions.
15

16 129. Robinhood's failure to perform and its breaches of the Customer
17 Agreement resulted in damages and losses to Plaintiff and Class members and
18 continues to expose them to harm because Robinhood continues to fail to perform
19 under the Customer Agreement. These losses reflect damages to Plaintiff and Class
20 members in an amount to be determined at trial or separate proceedings, as necessary.
21
22

23 **XIV.CAUSE OF ACTION – NEGLIGENCE**

24

25 130. Plaintiff incorporates the preceding paragraphs by reference as if set
26 forth fully in this section, namely paragraphs 1 to 74.

27 131. Robinhood had a duty to exercise reasonable care to not manipulate the
28

1 market.

2 132. Robinhood had a duty to exercise reasonable care in conducting and
3 facilitating transactions for its customers in the open market.
4

5 133. Robinhood breached its duties by removing the Restricted Tickers from
6 its trading platform without prior notice to its users or to the market at large. The
7 removal of the Restricted Tickers not only harmed Plaintiffs and its Class Member
8 users, but also harmed those that held shares of the Restricted Tickers in the market at
9 large.
10

11 134. Robinhood essentially abandoned its customers, and in so doing, caused
12 a market effect that drove the price of the Restricted Tickers down and caused
13 Plaintiffs and Class members to suffer damages.
14

15 135. Robinhood showed a wanton and reckless disregard for the effect its
16 actions would have on the Plaintiffs, Class Members, and open market. Moreover,
17 Robinhood did not undertake these actions due to “market volatility” as it later
18 claimed, as these Restricted Tickers were continually traded save a few “halts” by the
19 actual exchanges.
20
21

22 136. Robinhood’s negligence and gross negligence, harmed Plaintiffs, Class
23 Members, and market participants by forcing them to incur significant losses in the
24 marketplace by first removing the Restricted Tickers on January 28, 2021 from the
25 trading platform without notice, and later imposing excessive and unwarranted
26 restrictions on the tickers that in some instances changed, again without notice, from
27
28

1 allowing the trading of 115 \$AMC shares in the morning to 1 \$AMC share in the late
2 afternoon on January 29, 2021 and as a result the price decreased.
3
4

5 **XV.CAUSE OF ACTION - BREACH OF FIDUCIARY DUTY**
6

7 137. Plaintiff incorporates the preceding paragraphs by reference as if set
8 forth fully in this section, namely paragraphs 1 to 81.
9

10 138. As a licensed provider of financial services, Robinhood at all times
11 relevant herein was a fiduciary to Plaintiff and Class members and owed them the
12 highest good faith and integrity in performing its financial services on their behalf.
13 Robinhood also acted as a fiduciary to each and every customer who agreed to the
14 Customer Agreement.
15

16 139. Robinhood breached its fiduciary duties to Plaintiff and Class members
17 by, among other things, failing to disclose that its platform was going to remove
18

19 \$GME, \$BB, \$AMC, \$SNDL, \$NOK, \$NAKD, \$WKHS and other
20 purchases in a timely manner; actually removing \$GME, \$BB, \$AMC, \$SNDL,
21 \$NOK, \$BBBY, \$KOSS, \$NAKD and others; removing \$GME, \$BB, \$AMC,
22 \$SNDL, \$NOK, \$BBBY, \$KOSS, \$NAKD and others for its own pecuniary benefits;
23 that Robinhood failed to provide access to its financial services in a timely manner;
24 that Robinhood failed to comply with all applicable legal, regulatory, and licensing
25 requirements; and that Robinhood failed to exercise trades and actions requested by
26
27
28

1 customers in a complete and timely manner (also required by FINRA Rule 5310).

2 140. Robinhood's conduct has caused Plaintiff and Class members' harm,
3 losses, and damages and continues to expose them to harm because Robinhood
4 continues to breach its fiduciary duties. These losses reflect damages to Plaintiff and
5 Class members in an amount to be determined at trial or separate proceedings, as
6 necessary.
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10 **XVI.CAUSE OF ACTION - BREACH OF**
11 **DUTY OF GOOD FAITH AND FAIR**
12 **DEALING**

13 141. Plaintiff incorporates the preceding paragraphs by reference as if set
14 forth fully in this section, namely paragraphs 1 to 85.
15

16 142. Plaintiffs and members of the Class and Subclass entered into the
17 Customer Agreement with Defendant Robinhood to open a Robinhood trading
18 account. They agreed to Robinhood's Terms and Conditions by using Robinhood's
19 website and trading platform.
20

21 143. Plaintiffs and members of the Class and Subclass fulfilled their
22 obligations under these contracts by adhering to their terms and using Robinhood's
23 trading services through its website and trading platform.
24

25 144. Robinhood was obligated to provide the trading services required under
26 those contracts at all times, including but not limited to, trades for \$GME, \$BB,
27 \$AMC, \$SNDL, \$NOK, \$KOSS, \$NAKD, and later \$WKHS and others.
28

1 145. When initially signing up for Robinhood, Plaintiff and all those similarly
2 situated could and most actually did trade \$GME, \$BB, \$AMC, \$SNDL, \$NOK,
3 \$KOSS, \$NAKD, and later \$WKHS and others.

4
5 146. Robinhood unfairly interfered with the rights of Plaintiffs and members
6 of the Class and Subclasses to receive the benefits of the Customer Agreement by,
7 among other things, (i) failing to provide services necessary to carry out a trade; (ii)
8 failing to provide certain trading services whatsoever; (iii) failing to inform
9 individuals in a timely member of the drastic changes in trading abilities; and (iv)
10 prohibiting plaintiffs from buying GME for Robinhood's own pecuniary interest and
11 not disclosing those interest to Plaintiffs and all Class and Subclasses members.
12
13

14 147. Robinhood's conduct has caused Plaintiffs and members of the Class and
15 Subclass harm, losses, and damages. These losses reflect damages to Plaintiffs and
16 members of the Class and Subclass in an amount to be determined at trial or separate
17 proceedings, as necessary.
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20 **XVII.BREACH OF EXPRESS AND IMPLIED WARRANTIES**
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22 148. Plaintiff incorporates the preceding paragraphs by reference as if set
23 forth fully in this section, namely paragraphs 1 to 92.
24

25 149. Robinhood warranted that their trading platform would provide access to
26 the stock market, and that by using it, its users would be able to buy and sell shares.

27 150. On January 28 & 29 of 2021, Robinhood breached those warranties by
28

1 preventing and prohibiting its users to buy shares in the Restricted Tickers.
2 Meanwhile the rest of the market was able to buy, short sell, and trade those
3 securities.
4

5 151. As a direct result of Robinhood's breaches, Plaintiffs and Class Members
6 were harmed and sustained damages.
7

8 **XVIII. RELIEF REQUESTED**

9
10 WHEREFORE each Plaintiffs and Class Members pray for judgment against
11 Robinhood and, as appropriate to each cause of action alleged and as appropriate to the
12 standing of Plaintiffs, as follows:
13

- 14 1. Immediate injunction requiring Robinhood to reinstatement of all the
15 retail tickers in question on their trading platform;
- 16 2. An award for Plaintiffs and Class Members' damages;
- 17 3. An award for attorney's fees and costs;
- 18 4. Punitive or exemplary damages according to proof; and
- 19 5. prejudgment interest;
- 20 6. post-judgment interest;
- 21 7. for such other and further relief as this Court may deem just and proper.
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24 Dated: January 27, 2023.

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26 Respectfully submitted,
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and

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DEMAND FOR JURY TRIAL

1 Plaintiff demands trial by jury on all issues which may be tried by a jury.
2

3 Napoli Shkolnik PLLC

4 Dated: January 27, 2023.

5 
6 Wendy A. Mitchell (CA SBN 158553)
7 Attorneys for Plaintiff
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